

Message Text

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21

ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01

AID-05 EB-07 CIEP-01 TRSE-00 STR-04 CEA-01 COME-00

FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01 AGR-05 OES-03

NRC-05 ERDA-05 /105 W
----- 047051

R 070358Z MAY 75

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 5657

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMCONSUL PERTH

AMCONSUL SYDNEY

AMEMBASSY TOKYO

LIMITED OFFICIAL USE CANBERRA 2843

E.O. 11652: N/A

TAGS: EALR, ETRD, EINV, EMIN, ENRG, JA, AS

SUBJECT: AUSTRALIA-JAPAN MINISTERIAL TALKS, MAY 2-3, 1975

1. SUMMARY: THIRD AUSTRALIA-JAPAN MINISTERIAL MEETING
HELD IN CANBERRA ATTENDED BY THREE GOJ MINISTERS. JAMOR
TOPICS COVERED INCLUDED TRADE IN BEEF AND URANIUM,
IMPORT BARRIERS AND INVESTMENT. NARA NOT MENTIONED.
WHILE TWO GOVERNMENTS DISAGREE ON CERTAIN POINTS (E.G.
ROLE OF GOVERNMENT IN TRADE NEGOTIATIONS), DISCUSSIONS
WERE CONSTRUCTIVE AND CORDIAL IF NOT REALLY NEWSWORTHY.
AUST. PRESS REPORTS, HOWEVER, INDICATE JAPANESE UNDERSTANDING OF
WHAT TRANSPIRED AT DISCUSSIONS MAY VARY FROM
AUSTRALIAN. END SUMMARY.

2. AT OUR REQUEST, HUMPHREYS, ASSISTANT SECRETARY, DEPT.
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OF FOREIGN AFFAIRS, HAS GIVEN EMBASSY RUN-DOWN ON THIRD

MEETING OF AUSTRALIAN-JAPANESE MINISTERIAL COMMITTEE IN CANBERRA. MINISTERS PARTICIPATING WERE: JAPAN - MIYAZAWA, FOREIGN AFFAIRS; KOMOTO, MITI; AND ABE, AGRICULTURE; AND AUSTRALIAN - WILLESEE, FOREIGN AFFAIRS; CAIRNS, TREASURY; CONNOR, MINERALS AND ENERGY; CREAM, OVERSEAS TRADE; WRIEDT, AGRICULTURE; AND MCCLELLAND, MANUFACTURING INDUSTRY. NO OFFICIAL STATEMENTS WERE ISSUED BY EITHER SIDE AT END OF CONSULTATIONS, ALTHOUGH JAPANESE DID HOLD PRESS CONFERENCE BEFORE DEPARTURE.

3. HUMPHREYS SAID MAIN TOPICS DISCUSSED WERE TRADE (PARTICULARLY BEEF, WOOL, COAL, URANIUM), INVESTMENT AND GENERAL ECONOMIC TRENDS BOTH WORLDWIDE AND DOMESTIC. DESPITE LOCAL PRESS REPORTS OF CHASHERS ON PARTICULAR TOPICS, HUMPHREYS INSISTED THAT SESSIONS WERE CORDIAL, BUSINESS-LIKE AND MARKED BY MUTUAL UNDERSTANDING ON POINTS WHERE TWO GOVERNMENTS' VIEWS DIFFER. HUMPHREYS SAID JAPANESE RECOGNIZE AUSTRALIAN POSITION THAT MARKET FORCES ALONE SHOULD NOT DETERMINE PRICES FOR AUSTRALIA'S MINERAL AND AGRICULTURAL EXPORTS AND THAT LONG-TERM ARRANGEMENTS ARE NEEDED TO MODERATE PRICE AND OTHER INSTABILITIES, ALTHOUGH JAPANESE REITERATED THEIR OWN POSITION THAT "FREE ENTERPRISE" SHOULD BE ALLOWED TO OPERATE IN MARKET SITUATION WITH MINIMAL GOVERNMENT INTERFERENCE.

4. SIGNIFICANT POINTS COVERED INCLUDED:

A) BEEF - GOJ INDICATED THERE WILL BE A PARTIAL LIFTING OF ITS IMPORT BAN IN MID-1975 ALLOWING UNSPECIFIED BUT SMALL AMOUNT OF IMPORTS. GOA REGISTERED LOW-KEY CONCERN THAT MARKET WOULD NOT BE OPENED FURTHER AND PRESSED UNSUCCESSFULLY FOR ASSURANCE THAT AUSTRALIA WOULD REGAIN SHARE OF IMPORTS (AROUND 80 PERCENT) IT ENJOYED WHEN MARKET WAS CLOSED. HUMPHREYS SCOFFED AT PRESS CONJECTURE THAT JAPANESE WOULD HAVE BEEN MORE GENEROUS ON BEEF HAD AUSSIES BEEN MORE COOPERATIVE ON AUTOS, URANIUM, ETC.

B) GOA IMPORT BARRIERS - GOJ EXPRESSED ALMOST PERFUNCTORY CONCERN OVER AUSSIE AUTO IMPORT QUOTAS. GOA RESPONDED WITH ITS FAMILIAR LINE THAT AUTO QUOTAS AND OTHER SIMILAR LIMITED OFFICIAL USE

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RESTRAINTS IT HAS RECENTLY IMPOSED ON TEXTILES AND OTHER MANUFACTURED IMPORTS ARE ONLY TEMPORARY AND DUE TO "SPECIAL CIRCUMSTANCES."

C) URANIUM - CONNOR REITERATED GENERAL ASSURANCE THAT YELLOWCAKE EXPORTS APPROVED BY PREVIOUS GOA WILL BE MADE, BUT HE DID NOT EXPLAIN HOW, AVOIDING COMMENT ON CONTINUING DELAY IN CONSTRUCTION OF RANGER MILL HE ANNOUNCED AT TIME

OF 1974 TANAKA VISIT. CONNOR GAVE JAPANESE NO REASON TO HOPE PRESENT GOA WOULD SOON APPROVE ADDITIONAL YELLOWCAKE EXPORTS. GOA-GOJ JOINT STUDY OF AUST. ENRICHMENT FACILITY APPARENTLY NOT DISCUSSED IN ANY DETAIL. HOWEVER, CONNOR WILL SOON VISIT TOKYO.

D) OTHER MINERALS - GOA CONFIRMED IT WILL JOIN NEW ASSOCIATION OF IRON ORE EXPORTING COUNTRIES. CONNOR SAID HE WOULD CONTINUE TO PARTICIPATE IN NEGOTIATIONS ON PRICE OF AUSTRALIAN COAL EXPORTS TO JAPAN DESPITE GOJ VIEW THAT GOA INTERVENTION NO APPROPRIATE. HUMPHREYS DENIED PRESS REPORT CONNOR AND JAPANESE "CLASHED" OVER COAL BUT ACKNOWLEDGED THEY HOLD DIFFERENT VIEWS.

E) INVESTMENT - GOA SAID IT WOULD APPROVE JAPANESE INVESTMENT AS PART OF JOINT VENTURE IN LOCAL AUTO INDUSTRY UTILIZING CHRYSLER'S PRESENT EXCESS CAPACITY IN ADELAIDE. HOWEVER, JAPANESE AUTO PRODUCERS WOULD NOT BE ALLOWED TO INVEST ELSEWHERE ON A WHOLLY NON-AUSTRALIAN OWNED BASIS. IN REPLY TO GOJ QUERY ABOUT PILBARA INVESTMENT PROSPECTS, CONNOR SAID THERE HAS BEEN TOO MUCH "PIE IN THE SKY" THINKING ABOUT PILBARA AND DOWNPLAYED INVESTMENT OPPORTUNITIES THERE. HUMPHREYS SAID THAT PROPOSED JAPAN-AUSTRALIA NARA TREATY, ON WHICH NEGOTIATIONS HAVE REPORTEDLY BEEN STALLED BECAUSE OF DISAGREEMENT OVER MOST FAVORED NATION TREATMENT REGARDING INVESTMENT IN AUSTRALIA, WAS NOT MENTIONED BY EITHER SIDE.

5. COMMENT: ACCORDING TO HUMPHREYS, WHO ATTENDED ALL MEETINGS EXCEPT CERTAIN PRIVATE SESSIONS BWTWEEN INDICIDUAL MINISTERS, THIS THIRD ROUND OF MINISTERIAL CONSULTATIONS WAS QUITE CONSTRUCTIVE BUT NOT REALLY VERY NEWSWORTHY. AUSTRALIANS AND JAPANESE OBVIOUSLY DISAGREE ON MANY LIMITED OFFICIAL USE

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POINTS BUT THEY INCREASINGLY UNDERSTAND EACH OTHER'S POSITIONS. ONLY SOURCE OF CONCERN TO HUMPHREYS, WHO KNOWS JAPANESE WELL FROM HIS PREVIOUS TOKYO ASSIGNMENT, WAS MISINFORMATION IN LOCAL PRESS WHICH MAY HAVE BEEN GIVEN OUT BY JAPANESE PARTICIPANTS AND WHICH MAY INDICATE JAPANESE DO NOT FULLY SHARE AUSTRALIANS' UNDERSTANDING OF WHAT TRANSPIRED AT DISCUSSIONS.
GREEN

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